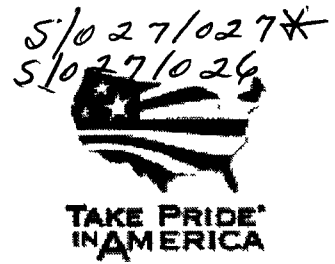




United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>



IN REPLY REFER TO:
3809
(UT-924-OA)
UTU-70666,70667

September 14, 2004

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

DECISION

Obligor/Operator:
Russell C. Feller
A&R Leasing
688 E. Chad Ranch Road
Veyo, UT 84782

Notice Serial Nos.: UTU-70666 & -5/027/027
UTU-70667 - 5/027/026

Statewide Bond Amount: \$6,646.32

Financial Institution:
Sun First Bank
146 E. St. George Blvd.
St. George, UT 84770

RECEIVED

SEP 16 2004

Financial Guarantee Accepted
Notices Extended

DIV. OF OIL, GAS & MIN

You filed notices extending the above-mentioned 3809 notices with the Fillmore Field Office, Bureau of Land Management (BLM). The reclamation cost estimate is determined to be \$3,007.17 for notice UTU-70666 and \$3,639.15 for UTU-70667, total of \$6,646.32.

On August 23, 2004, the Surface Management Personal Bond contract and a letter of credit (LOC) in the amount of \$6,646.32 to secure a bond for operations in the state of Utah were received by this office. The bond contract was amended and submitted to this office on September 8, 2004. The bond and the financial document have been examined and found satisfactory. The financial guarantee is accepted as of September 8, 2004, and accordingly, the above-mentioned notices are extended until January 20, 2005.

The bond covers 3809 operations conducted by or on behalf of the principal/operator in Utah and is sufficient to cover operations on the above-mentioned notices. A total of \$3,007.17 is applied to notice UTU-70666 and \$3,639.15 is applied to UTU-70667, total of \$6,646.32.

The pledge for the bond is a LOC written by the financial institution named above. The LOC will be retained in this office until all terms and conditions of the operations have been fulfilled or until a satisfactory replacement bond has been accepted. The LOC will be returned to the financial institution when this office determines that the bond is not longer required.

The LOC will continue indefinitely in the absence of notice from the financial institution of its determination not to renew the letter. Such a notice must be received in this office at least 90 days prior to the original expiration date of July 12, 2005, or the automatic extension dates falling on the same day in subsequent years. A copy of such notice also should be provided to the obligor, who would then be responsible for providing a replacement security to the BLM. Unless the obligor provides a satisfactory replacement bond at least 30 days prior to the then fixed expiration date, BLM will demand that the financial institution pay the full amount of the credit to ensure continuing bond coverage of the obligor. Any such funds thus obtained will be retained as long as none are required to correct defaults, until the bond is no longer required or until replacement bond coverage is accepted by the BLM.

If you have any questions, please call Opie Abeyta at (801) 539-4123.

JAMES F. KOHLER

James F. Kohler
Chief, Branch of Solid Minerals

cc: Jerry Mansfield, Fillmore Field Office (UT-010)
Terry Snyder, USO (UT-923)
Joelle Burns, UDOGM (S/027/026&027) (w/encl.)
1594 W. North Temple, Suite 1210
Salt Lake City, UT 84114